

AMENDED IN SENATE MAY 9, 2006

AMENDED IN SENATE APRIL 27, 2006

AMENDED IN ASSEMBLY JANUARY 26, 2006

AMENDED IN ASSEMBLY MARCH 30, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 425

Introduced by Assembly Member Negrete McLeod

February 15, 2005

An act relating to crime.

LEGISLATIVE COUNSEL'S DIGEST

AB 425, as amended, Negrete McLeod. Organized retail crime.

Existing law provides that criminal conspiracy occurs when two or more persons conspire to commit any crime and that it is punishable, when they conspire to commit a felony, in the same manner and to the same extent as is provided for the punishment of that felony.

This bill would make various legislative findings and declarations concerning the impact of organized retail crime.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares each of the
- 2 following:
- 3 (a) Organized retail crime is criminal activity that ~~involved~~
- 4 *involves* professional theft rings that steal merchandise in very

1 large quantities from grocery stores, drug stores, and other
2 retailers.

3 (b) Organized retail crime rings typically target popular
4 consumer products that can easily be stolen and sold for a large
5 profit. Infant formula, baby food, over-the-counter drugs, razor
6 blades, batteries, teeth whitening strips, face lotions, and skin
7 creams are just a few examples of the types of products that
8 organized retail crime rings steal on a regular basis.

9 (c) Stolen products may be unsafe and pose a health risk to
10 ~~consumer~~ consumers because the products may be sold after their
11 expiration date, or the expiration date may be altered. Infant
12 formula, baby food, and other perishable items are especially
13 dangerous. In addition, over-the-counter drugs and other
14 unpreserved items often need to be ~~stores~~ stored under controlled
15 conditions and can have adverse or reduced effects if these
16 conditions are not satisfied.

17 (d) Stolen products that are subject to a recall also pose a
18 threat to consumers because a manufacturer has no way to trace
19 ~~stole~~ stolen products and, therefore, no way to notify consumers
20 and prevent the product from causing harm.

21 (e) Ill-gotten profits generated by organized retail crime rings
22 are used to support other illicit criminal activities. Recently, the
23 Director of the Federal Bureau of Investigation testified before
24 Congress that “organized retail theft and resale of infant formula
25 pose not only an economic threat, but a public health threat to
26 infants and a potential source of material support to a terrorist
27 organization.”

28 (f) Organized retail crime is a growing problem that currently
29 costs retailers \$34 billion annually in the United States and \$3.2
30 billion in California.

31 (g) Based on these losses, organized retail crime may be
32 costing California over two hundred and thirty million dollars
33 (\$230,000,000) in lost tax revenue.

34 (h) *It is the intent of the Legislature to enact legislation to*
35 *address the growing problem of organized retail crime. In*
36 *enacting this legislation the Legislature shall do the following:*

37 (1) *Give law enforcement additional tools to help stop*
38 *organized retail crime.*

39 (2) *Ensure that consumers are not inadvertently purchasing*
40 *unsafe or stolen products.*

- 1 (3) *Help limit sales tax revenue losses to the state.*

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